GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:6391
ANSWERED ON:08.05.2002
PROCUREMENT OF TWO BAG STACKER RE-CLAIMERS BY JNPT
RAMSHETH THAKUR

Will the Minister of SHIPPING be pleased to state:

(a) whether JNPT procured two bag stacker re-claimers with associated conveyors at a cost of Rs.809.44 lakh;

(b) if so, whether the equipment could not be put in use satisfactorily right from the beginning there by resulting in unproductive expenditure;

(c) whether JNPT has analysed the actual need of these equipments before procurement;

(d) if not, whether any responsibility has been fixed in this regard; and

(e) if so, the action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI SHRIPAD Y. NAIK)

(a) Yes, Sir.

(b) to (e) The equipments were procured by the Port as part of Contract-II - Bulk Handling Facility based on the recommendations of the Project Consultants, M/s Howe (India) Pvt. Ltd., New Delhi. The recommendations of the Project Consultants for procurement o bag stacker reclaimers were evaluated by the Project Implementation Unit of Nhava Sheva Port Project and approved by the Competent Authority. The detailed designs of the bag stacker reclaimers submitted by the Contractor were accepted and the equipment along with associated system was cleared for commissioning by the Project Consultant subject to rectification of defects and deficiencies reflected in the punch list given along with the Certification of Completion by the Project Consultant. However, the equipment could not be put in use satisfactorily due to improper design and average level of maintainability.
Since the Port Trust was not satisfied with the performance of some of the systems including the bag stacker reclaimers with associated equipment which were supplied by the Contractor under the contract for the Bulk Handling Facility, they withheld final stage payment of 10% in respect of price of goods and services to the Contractor. Efforts made by the Port Trust to get the defects and deficiencies rectified by the Contractor did not yield the desired results. On a reference made by the Contractor, the issue of withholding of payment to the Contractor became the subject matter of Arbitration. The Arbitration Award was published in July, 1997. The Learned Arbitrators did not make any award on the claim made by the Port Trust in respect of some of the systems including bag stacker reclaimers and associated systems which were part of the equipments supplied under the contract. According to the Arbitrators, since the final punch list was rectified by the claimants, JNPT was directed to release the withheld
payments. The matter was taken up by the Port Trust in the Mumbai High Court and after negotiation with the Contractor as directed by the Mumbai High Court, the payments were released.